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VILLAGE OF LOREAUVILLE, LOUISIANA

FINANCIAL STATEMENTS

Years Ended June 30, 1998 and 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 03 1999

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Dressel & Friend

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Independent Auditor's Report

The Honorable Forbus J. Mestayer, Mayor,
and the Members of the Board of Aldermen
Village of Loreauville
Loreauville, Louisiana

Gentlemen:

We have audited the accompanying general purpose financial statements of the Village of Loreauville, Louisiana, individual fund, and account group financial statements of the Village as of and for the years ended June 30, 1998, and June 30, 1997 as listed in the table of contents. These general purpose financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Loreauville, Louisiana, as of June 30, 1998 and 1997, and the results of its operations and cash flows of its proprietary fund type for the years then ended in conformity with generally accepted accounting principles. Also, in our opinion, individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Village of Loreauville, Louisiana as of June 30, 1998 and 1997, and the results of operations of such funds for the years ended June 30, 1998 and 1997 and the cash flows of the individual proprietary fund for the years ended June 30, 1998 and 1997 in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 10, 1998, on our consideration of the Village of Loreauville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Village of Loreauville, Louisiana taken as a whole. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Village of Loreauville, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, individual fund, and individual account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

DRESSEL & FRIEND
Certified Public Accountants

A handwritten signature in cursive script, reading "Dressel & Friend", is written over a horizontal line.

December 10, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

VILLAGE OF LOREAUVILLE, LOUISIANA

June 30, 1998

COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUP

	Governmental			Proprietary		Total	
	Fund Types		Fund Type	Account Group		(Memorandum Only)	
	General	Special Revenue	Projects	Enterprises	General Fixed Assets	1998	1997
ASSETS							
Cash	\$ 14,698	\$ 53,382	\$ 0	\$ 3,701	\$ 0	\$ 71,781	\$ 256,534
Investments, at cost*	0	115,000	0	0	0	115,000	115,000
Receivable (Net, where applicable, of Allowance for Uncollectibles):							
Accounts	0	0	0	8,290	0	8,290	8,446
Other	0	0	0	0	0	0	44,149
Due from Other Funds	929	0	0	0	0	929	2,293
Due from Other							
Governmental Units	7,923	3,737	0	1,779	0	13,429	0
Prepaid Expenses	11,657	0	0	0	0	11,657	12,034
Restricted Assets	33,183	0	0	9,766	0	42,949	27,563
Land	0	0	0	0	23,698	23,698	23,698
Buildings	0	0	0	0	140,029	140,029	140,029
Improvements Other Than Buildings	0	0	0	0	1,596,986	1,596,986	1,446,062
Machinery & Equipment	0	0	0	0	113,923	113,923	118,791
Utility Plant & Equipment	0	0	0	920,479	0	920,479	913,180
Construction in Progress	0	0	0	0	0	0	0
Accumulated Depreciation	0	0	0	(361,886)	0	(361,886)	(342,002)
TOTAL ASSETS	\$ 68,390	\$ 172,119	\$ 0	\$ 582,129	\$ 1,874,636	\$ 2,697,264	\$ 2,765,777

*Schedule A)

The accompanying notes are an integral part of this statements.

VILLAGE OF LOREAUVILLE, LOUISIANA

June 30, 1998

COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUP

	Governmental			Proprietary		Total (Memorandum Only) 1997
	Fund Types		Fund Type	Account Group		
	General	Special Revenue	Projects	Enterprises	General Fixed Assets	
LIABILITIES						
Accounts Payable	\$ 10,849	\$ 0	\$ 0	\$ 6,783	\$ 0	\$ 17,632
Accrued Salaries Payable	737	0	0	170	0	907
Accrued Employee Benefits Payable	504	98	0	528	0	1,130
Payable From Restricted Assets:						
Customer's Deposit	62	0	0	9,766	0	9,828
Due to Other Funds	0	0	0	929	0	929
TOTAL LIABILITIES	\$ 12,152	\$ 98	\$ 0	\$ 18,176	\$ 0	\$ 30,426
FUND EQUITY:						
Contributed Capital	\$ 0	\$ 0	\$ 0	\$ 471,620	\$ 0	\$ 471,620
Investment in General Fixed Assets	0	0	0	0	1,874,636	1,874,636
Retained Earnings Unreserved	0	0	0	92,333	0	92,333
Fund Balance: Reserved for Restricted Expenses Unreserved:	33,121	0	0	0	0	33,121
Undesignated Exh. F-2	23,117	172,021	0	0	0	195,138
TOTAL FUND EQUITY	\$ 56,238	\$ 172,021	\$ 0	\$ 563,953	\$ 1,874,636	\$ 2,666,848
TOTAL LIABILITIES AND FUND EQUITY	\$ 68,390	\$ 172,119	\$ 0	\$ 582,129	\$ 1,874,636	\$ 2,697,274

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND
BALANCES-ALL GOVERNMENTAL FUND TYPE

YEAR ENDED JUNE 30, 1998

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)	
				1998	1997
Revenues:					
Taxes	\$ 9,848	\$ 94,408	\$ 0	\$ 104,256	\$ 96,092
Licenses & permits	37,864	0	0	37,864	37,559
Intergovernmental	32,781	0	0	32,781	35,312
Fines & forfeits	3,619	386	0	4,005	1,975
State Program Revenue	0	0	150,924	150,924	203,179
Miscellaneous	36,755	8,070	0	44,825	39,070
Total Revenues	\$ 120,867	\$ 102,864	\$ 150,924	\$ 374,655	\$ 413,187
Expenditures:					
General government	\$ 45,145	\$ 10,786	\$ 0	\$ 55,931	\$ 48,257
Public Safety					
Police	55,942	0	0	55,942	56,662
Fire	8,814	0	0	8,814	18,623
Public Works	40,913	0	0	40,913	44,198
Capital Outlays	12,001	0	150,924	162,925	227,848
Total Expenditures	\$ 162,815	\$ 10,786	\$ 150,924	\$ 324,525	\$ 395,588
Excess (deficiency) of revenues over expenditures	\$ (41,948)	\$ 92,078	\$ 0	\$ 50,130	\$ 17,599
Other financing sources (uses):					
Operating transfers in	\$ 79,719	\$ 0	\$ 0	\$ 79,719	\$ 59,677
Operating transfers out	0	103,319	0	103,319	(90,277)
Total other financing sources (uses)	\$ 79,719	\$ (103,319)	\$ 0	\$ (23,600)	\$ (30,600)

The accompanying note ar an integral part of this statement.

VILLAGE OF LOREAUVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND
BALANCES-ALL GOVERNMENTAL FUND TYPE YEAR ENDED JUNE 30, 1998

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)	
				1998	1997
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ 37,771	\$ (11,241)	\$ 0	\$ 26,530	\$ (13,001)
Fund balances, beginning	343	183,262	0	183,605	192,129
(Increase) Decrease in reserve for Restricted Expense	(14,997)	0	0	(17,997)	4,477
Fund balances, ending	<u>\$ 23,117</u>	<u>\$ 172,021</u>	<u>\$ 0</u>	<u>\$ 192,138</u>	<u>\$ 183,605</u>

The accompanying note ar an integral part of this statement.

VILLAGE OF LOREAUVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED JUNE 30, 1998

	General Fund		Special Revenue Fund Types		Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Revenues:					
Taxes	\$ 9,400	\$ 9,848	\$ 83,655	\$ 94,408	\$ 10,753
Licenses and permits	33,950	37,864	0	0	0
Intergovernmental	20,300	32,781	0	0	0
Fines and forfeits	3,100	3,619	500	386	(114)
Miscellaneous	35,198	36,755	7,650	8,070	420
Disaster Fund	80	0	0	0	0
Total revenues	\$ 102,028	\$ 120,867	\$ 91,805	\$ 102,864	\$ 11,059
Expenditures:					
General government	\$ 47,865	\$ 45,145	\$ 9,883	\$ 10,786	\$ (903)
Public safety -					
Police	57,450	55,942	0	0	0
Fire	8,515	8,814	0	0	0
Public Works	51,365	40,913	0	0	0
Capital Outlays	22,000	12,001	0	0	0
Total expenditures	\$ 187,195	\$ 162,815	\$ 9,883	\$ 10,786	\$ (903)
Excess (Deficiency) of revenues over expenditures	\$ (85,167)	\$ (41,948)	\$ 81,922	\$ 92,078	\$ 10,156

VILLAGE OF LOREAUVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED JUNE 30, 1998

	General Fund		Special Revenue Fund Types		Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Other financing sources (uses):					
Operating transfer in	\$ 90,000	\$ 79,719	\$ (10,281)	\$ 0	\$ 0
Operating transfer out	3,000	0	3,000	(103,319)	40,481
Total other financing sources (uses)	\$ 87,000	\$ 79,719	\$ (7,281)	\$ (103,319)	\$ 40,481
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,833	37,771	35,938	(11,241)	50,637
Fund Balances, beg.	343	343	0	183,262	0
Decrease in Reserve for Restricted Expense	0	(14,997)	0	0	0
Fund Balances, ending	\$ 2,176	\$ 23,117	\$ 35,938	\$ 172,021	\$ 50,637

VILLAGE OF LOREAUVILLE, LOUISIANA

COMPARATIVE STATEMENTS OF REVENUES,
EXPENSES AND CHANGES IN RETAINED EARNINGS-
PROPRIETARY FUND TYPE-ENTERPRISE FUNDYEARS ENDED
JUNE 30, 1998 AND 1997

	1998	1997
OPERATING REVENUES		
Charges for Services		
Fire Protection Fees	\$ 8,894	\$ 8,638
Recycling Fees	6,304	5,882
Sewerage Service Charges	31,290	29,170
Garbage Service Charges	33,316	32,850
Delinquency Charges	1,867	1,764
TOTAL OPERATING REVENUES	\$ 81,671	\$ 78,304
OPERATING EXPENSES		
Advertising	\$ 44	\$ 0
Analysis	1,808	1,823
Auto & Truck	1,275	1,230
Bad Debts	0	45
Contract Labor	21	470
Convention	92	243
Depreciation	19,884	19,606
Garbage Collection	28,928	27,998
Insurance	7,033	4,795
Legal & Accounting	2,076	1,584
Miscellaneous	867	967
Office Supplies	3,139	3,418
Professional Services	174	3,234
Recycling Fees	6,034	5,849
Repairs & Maintenance	1,402	3,029
Salaries	34,175	31,770
Supplies	2,105	2,732
Taxes-Payroll	2,666	2,487
Utilities	12,047	11,024
TOTAL OPERATING EXPENSES	\$ 123,770	\$ 122,304
OPERATING LOSS	\$ (42,099)	\$ (44,000)
NONOPERATING REVENUES (EXPENSES)		
State Grants	\$ 6,999	\$ 11,947
Interest	65	65
Property Taxes	5,364	4,960
TOTAL NONOPERATING REVENUES	\$ 12,428	\$ 16,972
LOSS BEFORE OPERATING TRANSFERS	\$ (29,671)	\$ (27,028)
TRANSFER FROM SALES TAX FUND	\$ 23,600	\$ 30,600
TRANSFER TO GENERAL FUND-FIRE DEPT.	(9,108)	(8,806)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 14,492	\$ 21,794
NET LOSS	\$ (15,179)	\$ (5,234)
RETAINED EARNINGS, BEGINNING	109,541	98,353
RETAINED EARNINGS BEFORE ADJUSTMENT	\$ 94,362	\$ 93,119
DEPRECIATION APPLICABLE TO CONTRIBUTED CAPITAL	16,798	16,422
ADDITIONAL DONATIONS FROM STATE	(18,827)	0
RETAINED EARNINGS, ENDING	\$ 92,333	\$ 109,541

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE, LOUISIANA

COMPARATIVE STATEMENTS OF CASH FLOWS - PROPRIETARY FUND TYPE - ENTERPRISE FUND	YEARS ENDED	
	JUNE 30, 1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 72,659	\$ 69,269
Interest Received	65	65
Other Operating Revenues	5,424	5,060
Cash Payments for Goods & Services	(68,192)	(70,792)
Cash Payments to Employees	(34,174)	(31,770)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (24,218)	\$ (28,168)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
<i>Operating Transfers - in from Other Funds</i>	\$ 26,822	\$ 29,331
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	\$ 26,822	\$ 29,331
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
State Grant	\$ 5,220	\$ 11,947
Advance deposits collected	386	914
Acquisition of Capital Assets	(7,299)	(13,359)
NET CASH PROVIDED (USED) FROM CAPITAL & RELATED FINANCING ACTIVITIES	\$ (1,693)	\$ (498)
NET INCREASE (DECREASE) IN CASH & RESTRICTED CASH	\$ 911	\$ 665
CASH & RESTRICTED CASH, JULY 1	12,555	11,889
CASH & RESTRICTED CASH, JUNE 30	\$ 13,466	\$ 12,554
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net Income (Loss)	\$ (15,179)	\$ (5,236)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	\$ 19,884	\$ 19,607
(Increase) Decrease in Receivables	(1,623)	(129)
Increase (Decrease) in Accounts Payable	202	1,162
Increase (Decrease) in Accrued Employee Benefit Payable	141	(18)
(Increase) Decrease in Prepaid Insurance	1,111	(1,111)
Transfers from Sales Tax Fund	(23,600)	(30,600)
State Grant	(5,220)	(11,947)
Increase (Decrease) in accrued salaries payable	66	104
Total Adjustments	\$ (9,039)	\$ (22,932)
NET CASH USED BY OPERATING ACTIVITIES	\$ (24,218)	\$ (28,168)

The accompanying notes are and integral part of this statement.

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VILLAGE OF LOREAUVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

(1) Summary of Significant Accounting Policies

The Village of Loreauville was incorporated April 23, 1909, under the provisions of the Lawrason Act. The City operates under a Mayor-Board of Aldermen form of government and provides the following services: public safety (police and fire), public works (maintenance, sanitation, public improvements), and general administrative services.

The accounting and reporting policies of the Village of Loreauville conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies.

A. Financial reporting entity. This report includes all funds and account groups which are controlled by or dependent on the Mayor and Board of Aldermen. Control by or dependence on the Village was determined on the basis of budget adoption, taxing authority, election or appointment of governing body, and other general oversight responsibility.

B. Fund Accounting. The accounts of the Village of Loreauville are organized on the basis of funds and accounts groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into four generic fund types and two broad fund categories as follows:

GOVERNMENTAL FUNDS

General Fund

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

VILLAGE OF LOREAUVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

GOVERNMENTAL FUNDS (Continued)

Capital Projects Fund

This fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds).

PROPRIETARY FUND

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of *revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.*

C. Fixed assets and long-term liabilities. The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the *General Fixed Assets Account Group*, and are recorded as expenditures in the governmental fund types when purchased. The Village has elected to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements on those assets acquired after July 1, 1975. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair market value on the date donated.

VILLAGE OF LOREAUVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Sewerage Utility -	
Pump stations	50 years
Lines	50 years
Pump Motor	20 years
Autos and trucks	3 years
Other equipment & furnishings	7 - 10 years

All fixed assets are stated at historical cost. Donated fixed assets are valued at their estimated fair market value on the date donated.

D. Basis of accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Gross receipts and sales taxes are considered "measurable" when in the hands of collecting governments and are recorded as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that accumulated sick pay is not accrued. Purchase of various operating supplies are regarded as expenditures at the time purchased.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unbilled sewerage and garbage service receivables are recorded at year end.

VILLAGE OF LOREAUVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

E. Budget and budgetary accounting

The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The municipal clerk prepares a proposed budget and submits this to the Mayor and Board of Aldermen at least fifteen days prior to the beginning of the fiscal year. The operating budget includes proposed expenditures and the means of financing them. Since the proposed expenditures are less than \$250,000, public participation in the budgetary process is not required.

2. The budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.

3. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.

4. All budgetary appropriations lapse at the end of each fiscal year.

5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

6. Budgetary data for the Capital Project Funds has not been presented in the accompanying combined financial statements as such funds are budgeted over the life of the respective project and not on an annual basis.

F. Investments. Investments are stated at cost. Investments include certificates of deposits. The bank balance of all deposits was insured by the FDIC up to \$100,000 and for the balance sufficient collateral was pledged, except that at 6/30/97 the collateral was \$33,079.61 short of the required amount.

G. Bad Debts. Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

H. Accumulated unpaid vacation, sick pay, and other employee benefits. Accumulated unpaid benefits have been accrued for vacation payable. Accumulated unpaid benefits for sick pay have not been accrued because these amounts are only paid when an employee is actually sick.

VILLAGE OF LOREAUVILLE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

I. Comparative data. Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Village's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

J. Total columns on combined statements - overview. Total columns on the combined statement - overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) Ad Valorem Taxes -

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Village in September or October and are actually billed to the taxpayers in November. Billed taxes are due by December 31 and become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Iberia Parish.

For the year ended June 30, 1998, taxes of 7.77 mills were levied on property with assessed valuations totaling \$1,957,706 and were dedicated as follows:

General Alimony	5.03 mills
Sewerage Tax	2.74 mills

Total taxes levied were \$15,211.

(3) Interfund Receivables, Payable -

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 929	\$ -
Enterprise Fund -		
Sewerage and Garbage Fund	-	929
Special Revenue Fund	-	-
Capital Projects Fund	-	-
Totals	<u>\$ 929</u>	<u>\$ 929</u>

VILLAGE OF LOREAUVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

(4) Restricted Assets

Restricted assets were applicable to the following at June 30:

Proprietary Fund Type

	<u>1998</u>	<u>1997</u>
Customers' deposits	<u>\$ 9,766</u>	<u>\$ 9,379</u>

General Fund Type

Restricted Funds-Ad Valorem Tax Deposits	\$ 62	\$ 60
Restricted Funds-Drainage Expense	12,939	6,072
Restricted Funds-Fire Department	<u>20,182</u>	<u>12,052</u>
	<u>\$ 33,183</u>	<u>\$18,184</u>

(5) Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance July 1, <u>1997</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>1998</u>
Land	\$ 23,698	\$ -	\$ -	\$ 23,698
Buildings	140,029	-	-	140,029
Improvements other than buildings	1,446,062	150,924	-	1,596,986
Equipment	118,791	12,002	16,870	113,923
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general fixed assets	<u>\$1,728,580</u>	<u>\$162,926</u>	<u>\$ 16,870</u>	<u>\$1,874,636</u>

A summary of proprietary fund type property, plant and equipment at June 30, 1998 follows:

Sewerage Fund:	
Land	\$ 5,000
Pump Stations	63,223
Lines	843,701
Machinery & Equipment	<u>8,555</u>
Total	\$ 920,478
Less: Accumulated Depreciation	<u>(361,886)</u>
Net	<u>\$ 558,593</u>

VILLAGE OF LOREAUVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

(6) Dedication of Proceeds and Flow of Funds - 1 1/2% Sales and Use Tax -

Proceeds of a 1 1/2% sales and use tax levied by the Village of Loreauville (1998 collections \$94,408; 1997 \$86,966) were dedicated to the following:

1. Constructing and maintaining sewerage, drainage, streets and other works of permanent public improvement in the Village of Loreauville, title to which shall be in the public. On November 21, 1987, the voters of the Village of Loreauville approved a rededication of the use of the sales taxes collected which now permits the use of these revenues to pay for any expenditures lawfully incurred.

2. An additional 1/2% was passed to be effective January 1, 1995 to be dedicated and used, in supplement of other sale tax revenues, to operate and maintain the Loreauville police department.

(7) Retirement Commitments -

Full time police employees of the Village of Loreauville are eligible to be members of the state retirement system for municipal police employees. However, at present, no one is participating.

All employees of the Village of Loreauville are members of the Social Security System.

(8) Accounts Receivable - Enterprise Fund

Accounts receivable are presented net of the related allowance for doubtful accounts. Accounts receivable at June 30, 1998 was \$8,546. The allowance for doubtful accounts at June 30, 1998, was \$256. The allowance account was adjusted to equal 3% of the outstanding receivables since there were no bad debts for the year and the adjustment necessary to bring the allowance account to 3% was less than 1%.

VILLAGE OF LOREAUVILLE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

(9) Contributed Capital

Contributed capital consists of grants or assets received from senior governmental units. The depreciation on the assets acquired with this contributed capital is being charged to the contributed capital accounts rather than retained earnings.

	<u>State of LA</u>	<u>Federal Government</u>	<u>Iberia Parish</u>	<u>Total</u>
Contributed Capital	\$4,961	\$ 630,272	\$ 124,092	\$ 759,325
Accumulated Depre.	<u>2,047</u>	<u>254,196</u>	<u>50,050</u>	<u>306,293</u>
Balance	<u>\$2,914</u>	<u>\$ 376,076</u>	<u>\$ 74,042</u>	<u>\$ 453,032</u>

(10) Litigation

According to Village's legal advisor, there are no pending litigations as of report date.

(11) Segment Information for Enterprise Fund

The Village maintains one Enterprise Fund. Segment information for the year ended June 30, 1997 follows:

	<u>Fire Protection</u>	<u>Sewerage Service</u>	<u>Garbage Service</u>	<u>Recycling Fees</u>
Operating Revenues	\$ 9,086	\$ 31,999	\$34,076	\$ 6,450
Depreciation	-	19,884	-	-
Operating Income (Loss)	-	(42,099)	-	-
Operating Transfer In	-	23,600	-	-
Tax Revenues	-	5,364	-	-
Net Income (Loss)	-	(15,179)	-	-
Net Working Capital	-	5,360	-	-
Total Assets	-	582,129	-	-
Total Equity	-	563,953	-	-

VILLAGE OF LOREAUVILLE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

(11) Segment Information for Enterprise Fund (Continued)

The garbage services are provided by BFI under a contract with the Village. The Village billed the residents the amount charged by BFI plus 15% to cover administrative expenses. Since it is assumed that this operation is a breakeven, no net income or assets are shown for this segment of the fund. The curbside recycling is provided by BFI and the residents are billed the same as the payments to BFI. Each resident is charge \$2 per meter for fire protection. These monies are transferred to the general fund to pay bills for the fire department.

(12) State Grant - Enterprise Fund

The Village received a grant in the amount of \$15,000 from the Office of Rural Development for purchase of sewerage equipment. Actual received for the current year was \$5,220.

(13) Subsequent Events

On September 3, 1998, the Village received notification that they had been approved for another block grant for \$204,900 for fire protection for the Village.

FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS
AND ACCOUNT GROUP

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

VILLAGE OF LOREAUVILLE, LOUISIANA
General Fund

COMPARATIVE BALANCE SHEETS

JUNE 30, 1998 AND 1997

<u>ASSETS</u>	<u>1998</u>	<u>1997</u>
Cash	\$ 14,698	\$ 19,487
Other Receivables	7,923	2,234
Due from Other Funds	929	0
Prepaid Expense	11,657	10,568
Restricted Assets		
Cash	<u>33,183</u>	<u>18,184</u>
TOTAL ASSETS	<u>\$ 68,390</u>	<u>\$ 50,473</u>
<u>LIABILITIES AND FUND BALANCE</u>		
LIABILITIES		
Accounts Payable	\$ 10,849	\$ 28,162
Tax Deposits	62	60
Due to Other Funds	0	2,293
Accrued Salaries Payable	737	219
Accrued Employee Benefits Payable	<u>504</u>	<u>1,272</u>
TOTAL LIABILITIES	<u>\$ 12,152</u>	<u>\$ 32,006</u>
FUND BALANCE		
Reserved for Restricted Expenses	\$ 33,121	\$ 18,124
Unreserved-Undesignated (Exhibit F-2)	<u>23,117</u>	<u>343</u>
TOTAL FUND EQUITY	<u>\$ 56,238</u>	<u>\$ 18,467</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 68,390</u>	<u>\$ 50,473</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE, LOUISIANA
General Fund

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL	YEAR ENDED JUNE 30, 1998 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1997			
	1998		1997	
	Budget	Actual	Variance - Favorable (Unfavorable)	Actual
REVENUES (Exhibit F-3)				
Taxes	\$ 9,400	\$ 9,848	\$ 448	\$ 9,126
Licenses and Permits	33,950	37,864	3,914	37,559
Intergovernmental	20,300	32,781	12,481	35,312
Fines and Forfeits	3,100	3,619	519	1,440
Miscellaneous	35,198	36,755	1,557	30,677
Disaster Funds	80	0	(80)	0
TOTAL REVENUES	\$ 102,028	\$ 120,867	\$ 18,839	\$ 114,114
EXPENDITURES (Exhibit F-4)				
General Government	\$ 47,865	\$ 45,145	\$ 2,720	\$ 37,279
Public Safety -				
Police	57,450	55,942	1,508	56,662
Fire	8,515	8,814	(299)	18,623
Public Works	51,365	40,913	10,452	44,198
Capital Outlay	22,000	12,001	9,999	2,020
TOTAL EXPENDITURES	\$ 187,195	\$ 162,815	\$ 24,380	\$ 158,782
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (85,167)	\$ (41,948)	\$ 43,219	\$ (44,668)
OTHER FINANCING SOURCES (USES)				
Operating Transfers				
From:				
Sales Tax Fund	\$ 90,000	\$ 79,719	\$ (10,281)	\$ 34,849
To:				
Capital Project Fund	3,000	0	3,000	(19,428)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 87,000	\$ 79,719	\$ (7,281)	\$ 15,421
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	\$ 1,833	\$ 37,771	\$ 35,938	\$ (29,247)
FUND BALANCE-BEGINNING	343	343	0	25,113
(INCREASE) DECREASE IN RESERVE FOR RESTRICTED EXPENSES	0	(14,997)	(14,997)	4,477
FUND BALANCE-ENDING	\$ 2,176	\$ 23,117	\$ 20,941	\$ 343

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE, LOUISIANA
General Fund

STATEMENT OF REVENUES COMPARED TO BUDGET (GAAP BASIS) AND PRIOR YEAR ACTUAL
YEAR ENDED JUNE 30, 1998 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997
	Budget	Actual		Actual
REVENUES				
Taxes				
Ad Valorem Taxes	\$ 9,400	\$ 9,848	\$ 448	\$ 9,126
Licenses and Permits -				
Licenses-Occupational	13,700	14,379	679	13,894
Licenses-Alcohol Permits	2,250	2,235	(15)	2,357
Licenses-Insurance	18,000	21,250	3,250	21,308
Intergovernmental -				
Tobacco Taxes	4,600	4,650	50	4,650
Beer Taxes	2,900	2,970	70	3,177
2% Fire Insurance Tax	1,800	2,173	373	2,114
Mosquito Control Tax	8,000	12,788	4,788	8,879
Video Poker Profits	0	4,500	4,500	1,742
Donation-IPSO	0	4,450	4,450	0
Rural Development				
State Grant	3,000	0	(3,000)	0
Economic Development Grant	0	0	0	3,500
Drug Prevention				
Parish Grant	0	1,250	1,250	1,250
Iberia Parish Grant	0	0	0	10,000
Fines & Forfeits -				
Fines	2,800	3,347	547	1,082
Penalties	300	272	(28)	358
Miscellaneous -				
Cablevision Franchise	840	878	38	844
Cleco Franchise	17,200	16,766	(434)	11,740
Entex Franchise	5,000	5,245	245	5,842
Lawco Franchise	1,800	1,861	61	1,839
Water Plant Lease	1,870	1,925	55	1,870
Interest Income	350	318	(32)	464
Miscellaneous Income	50	366	316	33
Special Assessment-Fire	8,088	9,121	1,033	
Equipment Sales	0	275	275	8,045
Disaster Donations	80	0	(80)	0
TOTAL REVENUES	\$ 102,028	\$ 120,867	\$ 18,839	\$ 114,114

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE, LOUISIANA
General Fund

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) AND PRIOR YEAR ACTUAL
YEAR ENDED JUNE 30, 1998 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997
	Budget	Actual		Actual
GENERAL GOVERNMENT				
Advertising & Publications	\$ 600	\$ 317	\$ 283	\$ 601
Capital Outlay	0	551	(551)	1,038
Codifying Ordinances	600	613	(13)	0
Contract Labor	0	0	0	10
Convention & Seminars	1,000	276	724	911
Dues	260	259	1	258
Insurance	5,500	4,023	1,477	2,890
Legal & Accounting	4,150	4,151	(1)	839
Mayor & Council Fees	13,800	13,800	0	10,200
Miscellaneous	1,120	0	1,120	240
Office Auto	700	880	(180)	554
Office Supplies	3,000	2,827	173	2,333
Payroll Taxes	1,615	1,909	(294)	1,557
Professional Fees	500	320	180	1,826
Repairs & Maintenance	600	624	(24)	810
Salaries	10,220	10,563	(343)	9,961
Utilities	4,200	4,583	(383)	4,289
TOTAL GENERAL GOVERNMENT	\$ 47,865	\$ 45,696	\$ 2,169	\$ 38,317
PUBLIC SAFETY				
Police				
Advertising-Election	\$ 0	\$ 0	\$ 0	\$ 13
Auto	6,000	8,091	(2,091)	6,498
Contract Labor	0	273	(273)	0
Insurance	7,500	7,631	(131)	10,171
Miscellaneous	300	0	300	124
Payroll Taxes & Retirement	2,900	2,776	124	2,822
Repairs & Maintenance	2,000	381	1,619	177
Salaries	36,500	36,410	90	36,079
Supplies	1,000	290	710	732
Training	750	0	750	0
Uniforms	500	90	410	46
Capital Outlay	15,000	4,450	10,550	450
Total Police	\$ 72,450	\$ 60,392	\$ 12,058	\$ 57,112

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE, LOUISIANA
General Fund

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) AND PRIOR YEAR ACTUAL
YEAR ENDED JUNE 30, 1998 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997
	Budget	Actual		Actual
PUBLIC SAFETY				
Fire				
Vehicle Expense	\$ 2,000	\$ 87	\$ 1,913	\$ 1,632
Insurance	3,400	4,486	(1,086)	5,211
Office Supplies & Postage	500	498	2	210
Professional Fees	0	1,400	(1,400)	0
Repairs & Maintenance	115	115	0	0
Utilities	2,500	2,228	272	1,570
Capital Outlay	0	0	0	10,000
Total Fire	<u>\$ 8,515</u>	<u>\$ 8,814</u>	<u>\$ (299)</u>	<u>\$ 18,623</u>
TOTAL PUBLIC SAFETY	<u>\$ 80,965</u>	<u>\$ 69,206</u>	<u>\$ 11,759</u>	<u>\$ 75,735</u>
PUBLIC WORKS				
Vehicle Expenses	\$ 1,500	\$ 1,369	\$ 131	\$ 1,678
Drainage Improvements	3,000	910	2,090	2,403
Insurance	5,527	3,687	1,840	5,558
Miscellaneous	200	107	93	54
Payroll Taxes	2,250	1,723	527	1,906
Repairs & Maintenance	1,500	1,352	148	263
Salaries	27,888	22,090	5,798	24,394
Supplies	500	533	(33)	722
Utilities	9,000	9,142	(142)	7,220
Capital Outlay	7,000	7,000	0	532
TOTAL PUBLIC WORKS	<u>\$ 58,365</u>	<u>\$ 47,913</u>	<u>\$ 10,452</u>	<u>\$ 44,730</u>
TOTAL EXPENDITURES	<u>\$ 187,195</u>	<u>\$ 162,815</u>	<u>\$ 24,380</u>	<u>\$ 158,782</u>

The accompanying notes are an integral part of this statement.

SPECIAL REVENUE FUNDS

Sales Tax Fund - To account for the receipt and use of proceeds of the Village's 1 ½% sales and use tax.

VILLAGE OF LOREAUVILLE, LOUISIANA
Special Revenue Funds-Sales Tax Fund

COMPARATIVE BALANCE SHEETS

JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>ASSETS</u>		
Cash	\$ 53,382	\$ 62,565
Investments (Schedule A)	115,000	115,000
Interest Receivable	0	579
Sales Tax Receivable	3,737	4,763
Prepaid Expenses	0	355
TOTAL ASSETS	<u>\$ 172,119</u>	<u>\$ 183,262</u>
 <u>LIABILITIES AND FUND BALANCE</u> 		
<u>LIABILITIES</u>		
Accrued Employee Benefits Payable	\$ 98	0
TOTAL LIABILITIES	<u>\$ 98</u>	<u>\$ 0</u>
 <u>FUND BALANCES:</u>		
Unreserved-Unrestricted (Exhibit B)	<u>\$ 172,021</u>	<u>\$ 183,262</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 172,119</u></u>	<u><u>\$ 183,262</u></u>

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE, LOUISIANA
Special Revenue Fund-Sales Tax Fund

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL	YEAR ENDED JUNE 30, 1998 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1997			
	1998	Variance - Favorable (Unfavorable)		1997
	Budget	Actual		Actual
REVENUES				
Taxes -				
Sales Tax Collected	\$ 83,655	\$ 94,408	\$ 10,753	\$ 86,966
Delinquent Charges	500	386	(114)	535
Miscellaneous -				
Interest Income	7,650	8,070	420	8,393
TOTAL REVENUES	\$ 91,805	\$ 102,864	\$ 11,059	\$ 95,894
EXPENDITURES				
General Government -				
Collection Expenses	\$ 650	\$ 660	\$ (10)	\$ 618
Conventions & Seminars	500	382	118	448
Dues	80	80	0	80
Insurance	1,000	1,588	(588)	919
Legal & Accounting	2,076	2,076	0	1,584
Office Supplies	50	42	8	31
Salaries & Payroll Taxes	5,527	5,958	(431)	5,119
TOTAL EXPENDITURES	\$ 9,883	\$ 10,786	\$ (903)	\$ 8,799
EXCESS OF REVENUE OVER EXPENDITURES	\$ 81,922	\$ 92,078	\$ 10,156	\$ 87,095
OTHER FINANCING USES				
Operating Transfers To -				
General Fund	\$ 111,600	\$ 79,719	\$ 31,881	\$ 34,849
Enterprise Fund	32,200	23,600	8,600	30,600
Capital Project Fund	0	0	0	5,400
TOTAL OTHER FINANCING USES	\$ 143,800	\$ 103,319	\$ 40,481	\$ 70,849
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDI- TURES AND OTHER USES	\$ (61,878)	\$ (11,241)	\$ 50,637	\$ 16,246
FUND BALANCE, BEGINNING	183,262	183,262	0	167,016
FUND BALANCE, ENDING	\$ 121,384	\$ 172,021	\$ 50,637	\$ 183,262

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS FUND

LCDBG FUND - To account for the receipt and use of the grant received from LCDBG.

VILLAGE OF LOREAUVILLE, LOUISIANA
Capital Project Fund

COMPARATIVE BALANCE SHEETS JUNE 30, 1998 AND 1997

<u>ASSETS</u>	<u>1998</u>	<u>1997</u>
Cash	\$ 0	\$ 171,306
Grant Receivable	<u>0</u>	<u>36,573</u>
TOTAL ASSETS	<u>\$ 0</u>	<u>\$ 207,879</u>
 <u>LIABILITIES AND FUND BALANCE</u> 		
LIABILITIES		
Accounts Payable	\$ 0	\$ 207,879
 FUND BALANCES:		
Unrestricted-Undesignated	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 0</u>	<u>\$ 207,879</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE, LOUISIANA
Capital Projects Fund - LCDBG Fund

COMPARATIVE STATEMENT OF REVENUE EXPENDITURES, AND CHANGES IN FUND BALANCES	YEARS ENDED JUNE 30, 1998 AND 1997	
	1998	1997
REVENUES		
State Program Revenues	\$ 150,924	\$ 203,179
TOTAL REVENUES	<u>\$ 150,924</u>	<u>\$ 203,179</u>
EXPENDITURES		
Legal & Accounting	\$ 0	\$ 2,179
Capital Outlays	150,924	225,828
TOTAL EXPENDITURES	<u>\$ 150,924</u>	<u>\$ 228,007</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES	\$ 0	\$ (24,828)
OTHER FINANCING SOURCES:		
Transfer-General Fund	\$ 0	\$ 24,828
TOTAL OTHER FINANCING SOURCES	<u>\$ 0</u>	<u>\$ 24,828</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES	\$ 0	\$ 0
FUND BALANCE, BEGINNING	\$ 0	\$ 0
FUND BALANCE, ENDING	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

The accompanying notes are an integral part of this statement.

ENTERPRISE FUND

Sewerage and

Garbage Fund - To account for the provision of sewer, garbage, recycling and fire protection services to residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and billing and collection except for fire protection in which the funds collected are transferred to the general fund to pay bills for the fire department.

VILLAGE OF LOREAUVILLE, LOUISIANA
Enterprise Fund - Sewerage and Garbage Fund

COMPARATIVE BALANCE SHEETS	YEARS ENDED	
	JUNE 30, 1998 AND 1997	
	<u>1998</u>	<u>1997</u>
ASSETS		
CURRENT ASSETS		
Cash in Bank	\$ 3,701	\$ 3,176
Accounts Receivable, Net of Allowances for Uncollectible Accounts (1998-\$256; 1997-\$256)	8,290	8,446
Due from General Fund	0	2,293
Other Receivables	1,779	0
Prepaid Insurance	0	1,111
TOTAL CURRENT ASSETS	<u>\$ 13,770</u>	<u>\$ 15,026</u>
RESTRICTED ASSETS		
Customers' Deposits - Cash	\$ 9,766	\$ 9,379
PLANT AND EQUIPMENT, AT COST, net of Accumulated Depreciation (1998-\$361,886; 1997-\$327,501)		
	<u>558,593</u>	<u>571,178</u>
TOTAL ASSETS	<u>\$ 582,129</u>	<u>\$ 595,583</u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)		
Accounts Payable	\$ 6,783	\$ 6,581
Accrued Employee Benefits Payable	528	387
Accrued Salaries	170	104
Due to General Fund	929	0
TOTAL CURRENT LIABILITIES	<u>\$ 8,410</u>	<u>\$ 7,072</u>
CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)		
Customers' Deposit	9,766	9,379
TOTAL LIABILITIES	<u>\$ 18,176</u>	<u>\$ 16,451</u>
FUND EQUITY		
Contributed Capital		
Contributions from Federal Grants	\$ 376,076	\$ 389,496
Contributions from Iberia Parish Police Jury	74,042	76,684
Contributions from State of Louisiana	21,502	3,411
Total Contributed Capital	<u>\$ 471,620</u>	<u>\$ 469,591</u>
Retained Earnings-Unreserved (Exhibit D)	92,333	109,541
TOTAL FUND EQUITY	<u>\$ 563,953</u>	<u>\$ 579,132</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 582,129</u>	<u>\$ 595,583</u>

The accompanying notes are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.

VILLAGE OF LOREAUVILLE, LOUISIANA

COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETSJUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
General fixed assets, at cost:		
Land	\$ 23,698	\$ 23,698
Buildings	140,029	140,029
Improvements other than buildings	1,596,986	1,446,062
Equipment & Furnishings	<u>113,923</u>	<u>118,791</u>
Total general fixed assets	<u>\$ 1,874,636</u>	<u>\$ 1,728,580</u>
Investment in general fixed assets:		
Property acquired prior to 7/1/75	\$ 43,563	\$ 43,563
Property acquired after 7/1/75 from -		
Federal grants	100,000	100,000
State grants	1,438,124	1,287,199
Parish grants	72,068	78,342
General fund revenues	136,807	135,402
Sales tax fund revenues	71,039	71,039
Federal revenue sharing funds	10,425	10,425
Gifts	<u>2,610</u>	<u>2,610</u>
Total investment in general fixed assets	<u>\$ 1,874,636</u>	<u>\$ 1,728,580</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE, LOUISIANA

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS YEAR ENDED JUNE 30, 1998

	Land	Buildings	Improvements Other Than Buildings	Machinery & Equipment	Total
GENERAL FIXED ASSETS, Beginning of Year	\$ 23,698	\$ 140,029	\$ 1,446,062	\$ 118,791	\$ 1,728,580
ADDITIONS:					
General Fund Reserve	\$ 0	\$ 0	\$ 0	\$ 7,552	\$ 7,552
State Grants	0	0	150,924	0	150,924
Parish Grants	0	0	0	4,450	4,450
TOTAL ADDITIONS	\$ 0	\$ 0	\$ 150,924	\$ 12,002	\$ 162,926
DEDUCTIONS	0	0	0	16,870	16,870
GENERAL FIXED ASSETS, End of Year	\$ 23,698	\$ 140,029	\$ 1,596,986	\$ 113,923	\$ 1,874,636

The accompanying note are an integral part of this statement.

VILLAGE OF LOREAUVILLE, LOUISIANA

COMBINED SCHEDULE OF
INVESTMENTS-ALL FUNDS

June 30, 1998

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
<u>SALES TAX FUND</u>			
Certificate of Deposit - New Iberia Bank	5.93%	11/28	\$ 115,000

VILLAGE OF LOREAUVILLE, LOUISIANA

SCHEDULE OF COMPENSATION PAID
GOVERNING BOARD MEMBERS

June 30, 1998

Forbus Mestayer, Sr.-Mayor	\$	8,400
Albert Broussard, Jr.-Alderman		1,800
Barry LaGrange		1,800
Larry Scroggs-Alderman		<u>1,800</u>
	\$	<u><u>13,800</u></u>

Dressel & Friend

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Forbus J. Mestayer, Mayor
and the Members of the Board of Aldermen
Village of Loreauville
Loreauville, LA

We have audited the general purpose financial statements of Village of Loreauville, Louisiana, for the year ended June 30, 1998 and 1997, and have issued our report thereon dated December 10, 1998.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of Village of Loreauville, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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In planning and performing our audit of the general purpose financial statements of the Village of Loreauville, Louisiana, for the years ended June 30, 1997 and 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the management, and Mayor and Board of Aldermen, the Legislative Auditor of Louisiana, and the Louisiana Division of Administration. However, this report is a matter of public record and its distribution is not limited.

Dressel & Friend, CPA's

A handwritten signature in cursive script that reads "Dressel + Friend".

New Iberia, Louisiana

December 10, 1998

Dressel & Friend

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Honorable Forbus J. Mestayer, Mayor
and the Members of the Board of Aldermen
Village of Loreauville
Loreauville, Louisiana

We have audited the general purpose financial statements of Village of Loreauville, Louisiana, as of and for the years ended June 30, 1998 and 1997, and have issued our report thereon dated December 10, 1998.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Village of Loreauville, Louisiana, is the responsibility of Village of Loreauville, Louisiana, management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Village's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

BB

Page 1 of 2

The results of our tests disclose no instances of noncompliance that are required to be reported under government auditing standards.

This report is intended for the information of the management, and Mayor and Board of Aldermen, the Legislative Auditor of Louisiana, and the Louisiana Division of Administration. However, this report is a matter of public record and its distribution is not limited.

Dressel & Friend, CPA's

A handwritten signature in cursive script that reads "Dressel & Friend". The signature is written in dark ink and is positioned above the printed name of the firm.

New Iberia, Louisiana

December 10, 1998

Village of Loreauville, Louisiana
 Schedule of Prior Year Findings
 For the Year Ended June 30, 1998

Section I Internal control and compicance material to the financial Statements	
1996-97 NA	
Section II Internal Control and compliance material to federal awards	
1996-97 NA	
Section III Management Letter	
1996-97 -Bank account not fully collateralized	Resolved- Current year audit showed that they have been monitoring this throughout the year.